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Chairman

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

January 18, 2007

## PARTIES OF RECORD

Re: Case No. 2007-00404

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Virginia Gregg at 502/564-3940, Extension 407.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

Attachment

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** File

**FROM:** Virginia Gregg

**DATE:** January 18, 2008

**SUBJECT:** Case No. 2007-00404  
East Kentucky Power Cooperative, Inc. Alleged Failure to Comply  
with KRS 278.042 Service and Safety Standards and Section 42  
of the National Electrical Safety Code

Pursuant to a request by East Kentucky Power Cooperative, Inc. ("East Kentucky"), an informal conference was held in this case on January 14, 2008. Commission Staff met with representatives of East Kentucky. Those in attendance are found on the sign in sheet, attached hereto.

Beginning the conference, Virginia Gregg stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of the minutes would be provided to all parties, and that all parties would be given an opportunity to submit comments to the minutes.

Mr. Marshall, on behalf of East Kentucky, stated that they are very focused on safety as a top priority and they are taking a critical look at their whole program. Mr. Shearer discussed the daily safety audits that have been taking place at Spurlock since 2003, which includes the work of seven major contractors. Additionally, East Kentucky has been doing quarterly audits of its major contractors in its transmission work since July 2007, with an inspector assigned to all projects. East Kentucky will be performing more formalized, documented inspections in the future.

In response to questions by Commission Staff, Mr. Marshall discussed the pre-qualification of East Kentucky's contractors and what East Kentucky requires before awarding its bids. Documentation of what these qualifications are will be provided to Commission Staff.

Mr. Shearer then noted that after the accident in this case, Irby Construction Company, the contractor in the present situation, had conducted additional safety training for its supervisors. East Kentucky will provide documentation of this to Commission Staff.

Intra-Agency Memorandum  
January 18, 2008  
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The applicable provisions of the National Electrical Safety Code were then discussed.

After conferring separately, the issues of remedial measures and the potential penalty were discussed. Based upon further discussion, a draft settlement agreement will be prepared and presented to the Commission.

The conference was then adjourned.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

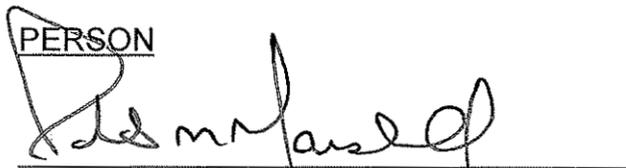
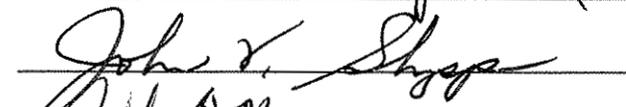
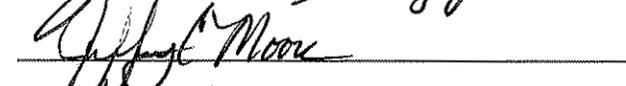
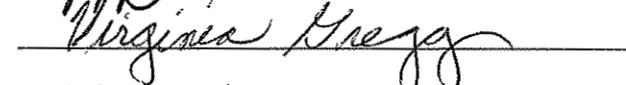
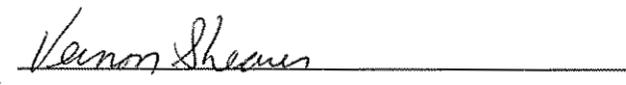
In the Matter of:

EAST KENTUCKY POWER COOPERATIVE, INC.  
ALLEGED FAILURE TO COMPLY WITH KRS 278.042 SERVICE ADEQUACY  
AND SAFETY STANDARDS AND SECTION 42 OF THE NATIONAL  
ELECTRICAL SAFETY CODE

CASE NO. 2007-00404

SIGN IN

JANUARY 14, 2008

<u>PERSON</u>	<u>REPRESENTING</u>
	ERPC
DAVID SMART	"
Sherman Goodpastor	"
	PSC
	PSC
	PSC
STEVE KINGSOLVER	PSC
	ERPC